

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

FFW Corporation (Holding Company for Crossroads Bank)

Point of Contact:	Emily S. Boardman	RSSD: (For Bank Holding Companies)	228279
UST Sequence Number:	8	Docket Number: (For Thrift Holding Companies)	H2092
CPP/CDCI Funds Received:	7,289,000	FDIC Certificate Number: (For Depository Institutions)	29839
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 19, 2008	City:	Wabash
Date Repaid ¹ :	N/A	State:	Indiana

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Total loans and leases outstanding increased approximately \$2,038,000 or .9% during calendar year 2011 primarily due to increases in the residential mortgage loan portfolio.

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☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Residential mortgage loans increased approximately \$5,994,000 or 8.1%, HELOC and other consumer loans increased by \$965,000 or 2.9% and leases increased by \$240,000 or 1.6% during calendar year 2011 offset by an approximate \$5,161,000 or 5.5% decrease in commercial loans.

☐ **Increase securities purchased (ABS, MBS, etc.).**

☐ **Make other investments.**

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☒ **Increase reserves for non-performing assets.**

During calendar year 2011, Crossroads Bank recorded provision of \$1,200,000 to offset net loan charge-offs for the same time period.

☐ **Reduce borrowings.**

☐ **Increase charge-offs.**

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☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

Total capital was \$29,722,000 at December 31, 2010 and \$32,304,000 at December 31, 2011, which represents an increase of \$2,582,000 or 8.7%.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Upon receipt of CPP funds in December of 2008, \$6,000,000 was contributed to Crossroads Bank through paid in capital. The capital infusion has provided more robust capital levels during a time of economic uncertainty. Without participation in the CPP, Crossroads Bank may have sought other forms of capital that would have been more costly.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Participation in the CPP provided the necessary replacement of capital at a level sufficient to support operations of Crossroads Bank. Crossroads Bank has been able to continue serving customers and prudently underwriting loan relationships to foster growth in our communities.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.